

52. That in cases it has increased as much as three- and four-fold?—Yes.

53. Is it within your knowledge that lots adjoining the property in question, or only separated from it by a public road, have been valued at from £600 to £800 per acre, in subdivisions?—Yes.

54. Do not the official reports generally, with reference to this property, represent it as being exceptionally well situated?—I have no other information respecting it, officially, than that given by Mr. Seaman.

55. You have not read the correspondence between the Public Works Department and the Lands Purchase agent?—No.

56. Assuming that officer's report as to the situation of the land and its attractiveness for villa-sites to be correct, taken together with other facts in your knowledge, would £15,500 be an excessive valuation?—I could not say. I do not know enough, of my own knowledge, to express an opinion.

57. But, assuming that it is fairly correct, and that Mr. Brewer's report as to the situation of Mr. Stark's property is correct?—I do not know what it is.

58. With reference to Mr. Seaman, how long has he been employed as valuer?—For six years.

59. In what manner has he discharged his duties?—Very well indeed.

60. How does he stand as compared with the general run of valuers?—He is one of the best men I have, and the most reliable. He has a tendency to value highly. He has some property in the Takapuna neighbourhood, and he is inclined to be rather sanguine as to the value of it.

61. *The Chairman.*] About these five and a half acres, what was the valuation of it in 1882?—£830; and it is now valued at £950.

62. Were the improvements on it in 1882?—I cannot say; the valuation does not show.

63. Then, in that five acres there is an increase of £120 for the three years?—Yes.

64. Are they Mr. Seaman's valuation in both cases?—Yes; and for the 10 acres 2 roods 30 perches his valuation in 1882 was £590, and it is now £1,000.

65. These are the sections on the opposite side of the road from the property in question?—Yes.

66. *Mr. Wilson.*] When did you receive your first information that it was considered that the valuation was a high one?—Somewhere about March.

67. Did the Public Works Department seem to think so?—I do not know; they made no remark about it.

68. *Hon. Major Atkinson.*] Has the value of land in Auckland fallen since the valuation was made?—There is no question about it. It has fallen very much indeed. There is one point I might mention. There have not been, since the sitting of the Board of Reviewers, more than two or three applications to the Government either to reduce the valuation or to take over the properties; and those were for small sums under £500, so they could not have been much overvalued. A great deal of dissatisfaction has been brought about by the fact that in 1882 the valuations were too low.

WEDNESDAY, 30TH JUNE, 1886.

Mr. E. MITCHELSON, M.H.R., examined.

69. *The Chairman.*] Mr. Mitchelson, you have been Minister for Public Works, and know the district. Can you give the Committee any information as to the value of the land at Takapuna Point which was purchased from Mr. Stark for defence purposes?—Yes. Perhaps it would be better for me to give my personal opinion first.

70. Give your own opinion, and state anything you know as to the value of land in that locality?—My own opinion is that the value of the property is, at the outside, about £8,000. As far as I am able to judge, the whole thing has been a cleverly-contrived conspiracy to defraud the Government. That is the generally-received opinion in the Auckland District. Unfortunately, the Government officials aided as conspirators to some extent, through having allowed themselves to be let into the trap—I mean the Property-tax Valuer and Land Purchase Commissioner, Mr. Brewer. The ugliest feature that I see in the case is that one of the principal conspirators in the transaction, who is partner in land-transactions with Mr. Stark, was appointed Reviewer for that particular locality; and, as far as I am able to understand the question, it was through him that the bogus offer was made to Mr. Stark. The offer was made through Mr. Dacre, the senior partner in the firm of Cochrane and Son, and who is one of the most reliable men I know.

MY DEAR MITCHELSON,—

Auckland, 19th June, 1886.

I have your telegram *re* Stark's purchase. I am informed that prior to its being thought of for a battery-site this property was offered for sale for £7,000. Actual negotiations were proceeding, and the buyer had offered £5,500, when Stark withdrew from treaty, giving no reason. A large plan was drawn out, but cut up into very small lots, with any quantity of road-frontages. On seeing this plan I told Stark he would never sell it in that way; nor would he. Subsequently we had written instructions to make Stark an offer—I think £15,000, but am not sure of exact amount, as I write this at home. This offer Stark declined. Seaman then appears to have seen Stark *re* property-tax value. Stark mentions this offer, and Seaman values the property accordingly, Stark not objecting. This action of Seaman's did the business, as the Government could not give less than their own valuation; but Seaman would just as soon put it down at £20,000, his valuations being excessive. But there is no doubt that the Government had no need to purchase all the property. When we made Stark the offer I did not think the land was worth it, but we had on several occasions acted in making purchases for the same person. I do not think that Stark could have got more than half the price paid by Government from outside buyers here. The house was a very poor concern. Stark himself told me they could not keep the rain out. You must bear in mind, too, that the main road has been diverted.

I have, &c.,

JAMES DACRE.

This is also a very important letter, written to me by Mr. Philcox, who is well known as a most reliable man:—